

State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA Division Director RECEIVED

AUG 2 0 2012 #4146

DIV. OF OIL, GAS & MINING

July 31, 2012

CERTIFIED RETURN RECEIPT 7009 3410 0001 4203 2147

Jay Marshall, Resident Agent Utah American Energy Inc. P. O. Box 910 East Carbon, Utah 84520-0910

Subject: Proposed Assessment for State Violation No. N10097, Horse Canyon Mine,

C/007/0013, Task ID #4146

Dear Mr. Marshall:

The undersigned has been appointed by the Division of Oil, Gas & Mining as the Assessment Officer for assessing penalties under R645-401.

Enclosed is the proposed civil penalty assessment for the above referenced violation. The violation was issued by Division Inspector, James Owen, on July 11, 2012. Rule R645-401-600 et. seq. has been utilized to formulate the proposed penalty. By these rules, any written information which was submitted by you or your agent within fifteen (15) days of receipt of this Notice of Violation has been considered in determining the facts surrounding the violation and the amount of penalty.

Under R645-401-700, there are two informal appeal options available to you:

1. If you wish to informally appeal the fact of this violation, you should file a written request for an Informal Conference within thirty (30) days of receipt of this letter. This conference will be conducted by the Division Director. This Informal Conference is distinct from the Assessment Conference regarding the proposed penalty.



ANDALEX RESOURCES, INC. 04-03
PETTY CASH
P.O. BOX 910
EAST CARBON, UT 84520

1140

97-225/1243

PAYTO D.O.G.M.

THE ORDER OF FOUR HUNDERGE SIXTY TWO and WIND DOLLARS & DOLLARS & DOLLARS & DOLLARS
 KAR WEST BANK
 Price Financial Center

 A Diminon of AmericanWast Bank, Spokens, WA
 TeleService 1-800-972-3035

MEMO No. N 10097

alder o Whither

RECEIVED

DIV. OF OIL, GAS & MINING AUG Z 0 2012